

JUL 8 1958

MEMORANDUM FOR THE RECORD

SUBJECT : Space in South Outbuilding

REFERENCE: Memo dtd 17 Oct 57 to DD/S fr A-D/Log, same subject

1. The recommendation contained in paragraph 6. of the referenced memorandum has not been acted upon to date because of the uncertainty as to whether additional funds would eventually be forthcoming for the construction of an auxiliary building at Langley which, together with the building already planned, would accommodate all of our employees in the Washington area. Within the past few weeks, however, the Public Buildings Service has advised us that the Department of the Treasury is very anxious to renovate the South Outbuilding for its own use and that we must either renovate it for ourselves or lose it. Accordingly, at a recent Deputies' Meeting this matter was discussed and the Director requested that I explore the matter with the Bureau of the Budget. He felt that the project was at least worthy of consideration inasmuch as this office space would be used by some other governmental agency if and when we moved out and, therefore, there would be no financial loss to the Government.

2. On 27 June 1958 I discussed this proposal with Mr. Robert M. Macy, Chief, International Division, Bureau of the Budget, who indicated that the Bureau of the Budget would not be inclined to favor our proposal. Based upon our conversation, it is my understanding that the Bureau feels that we should construct a building at Langley large enough to accommodate all of our employees in the Washington area and that they will support our request for additional funds if and when it is made to the Congress. It is, therefore, reasonable for them to assume that we will eventually get the necessary additional funds. They naturally do not feel that it would be appropriate for us to deny this space to another governmental agency for a temporary period of two or three years. They also reason that when we vacate the space it will require expensive alterations in order to make it fit the needs of whatever governmental agency takes it over at that time. In addition, they recognize that even if we renovated this space it would still not accommodate all of our TSS employees.

3. On 3 July 1958 I briefed the Director on the outcome of my conversation with Mr. Macy and he agreed that we should not proceed with this project. Accordingly, the Director of Logistics has been instructed to inform the Public Buildings Service that we have no alternative but to release the space in question to the Department of the Treasury.

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L. K. White
Deputy Director
(Support)

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DD/S:LKV:ecb (8 July 1958)

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